

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE
CONTRACT 40 (MC2017-37)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-62

**NOTICE OF UNITED STATES POSTAL SERVICE OF
AMENDMENT TO PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE
CONTRACT 40, WITH PORTIONS FILED UNDER SEAL
(July 27, 2017)**

The Postal Service hereby provides notice that the terms of Priority Mail & First-Class Package Service Contract 40, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail & First-Class Package Service Contract 40 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

This amendment will not have a material effect on the cost coverage of Priority Mail & First-Class Package Service Contract 40. Therefore, the supporting financial documentation and financial certification initially filed in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the customer-identifying information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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July 27, 2017

ATTACHMENT A

**REDACTED AMENDMENT TO
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 40**

AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
REGARDING
PRIORITY MAIL SERVICE
AND
FIRST-CLASS PACKAGE SERVICE

WHEREAS, the United States Postal Service (the "Postal Service") and [REDACTED] ("Customer") entered into a Shipping Services Contract regarding Priority Mail Service and First-Class Package Service, in Priority Mail & First-Class Package Service Contract 40/Docket No. CP2017-62, on November 28, 2016. Capitalized terms used but not defined herein shall have the meaning set forth in the Contract.

WHEREAS, the Parties desire to amend the terms in Sections I.C., I.E. and I.F.1. a., b., c. and d., of the Contract.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects and is hereby ratified by the Parties. This amendment shall become effective two (2) business days following the day on which the Postal Regulatory Commission (the "Commission") issues all necessary regulatory approvals.

[Replace Sections I.C., I.E., and I.F.1. a., b. and c., in their entireties, and delete Section I.F.1.d., as follows:]

I. Terms

- C. Customer will manifest Contract Packages as specified by the Postal Service, using a separate permit number and/or PC Postage account to ship such packages, and will use the Electronic Verification System ("eVS"), other USPS approved manifest systems, or Postal Service approved PC Postage vendors for payment of such packages. Customer shall provide the Postal Service, in writing, a list of its permit numbers and/or PC Postage accounts for approval. Contract pricing for any newly approved permits and/or PC Postage accounts will be effective within fifteen (15) business days after the Postal Service receives written notification from Customer. Only Contract Packages and Customer's other Priority Mail packages shipped from authorized permits and/or PC Postage accounts shall count toward the volume commitment in Section I.E below.

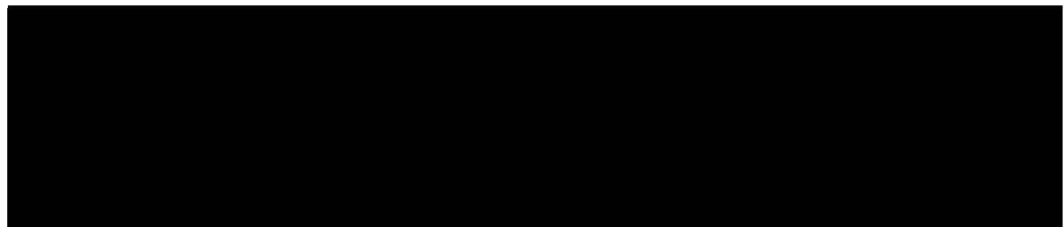
E. Volume Commitment. Customer should ship at least [REDACTED] Total Priority Mail Packages (including Priority Mail Contract Packages plus all other Priority Mail packages) per Contract Quarter, and [REDACTED] First-Class Package Service Contract Packages annually. Contract Quarters are defined in Table A.

F. Contract Package Pricing.

1. Priority Mail Contract Packages. Customer shall pay prices for its Priority Mail Contract Packages based on the average number of Priority Mail Contract Packages and other Priority Mail packages (collectively, "Total Priority Mail Packages") shipped per Contract Quarter, pursuant to Tables 1 and 2 below.

a. Customer will pay Tier 1 prices for Priority Mail Contract Packages through September 30, 2017 ("Implementation Period"). Customer will continue to pay Tier 1 prices for its Priority Mail Contract Packages through December 31, 2017.

b. Beginning January 1, 2018, subsequent tier pricing will be determined by the quarterly average of Total Priority Mail Packages shipped during the term of this Contract, not including the Implementation Period. If the quarterly average of Total Priority Mail Packages falls below the minimum average set for Tier 1 pricing, the Postal Service at its sole discretion has the right to revert Customer to the most current Priority Mail Commercial Plus pricing for the subsequent Contract Quarter.



c. Customized pricing for this Contract will be based on a rolling four (4) quarter average. Following the Implementation Period, the average will be based on the Total Priority Mail Packages shipped per Contract Quarter, divided by the number of full quarters achieved, not including the Implementation Period. At the conclusion of the first four (4) full quarters, following the Implementation Period, pricing for subsequent quarters will be calculated by the number of Total Priority Mail Packages shipped in the previous four (4) quarters divided by four (4). At the conclusion of each quarter, the Postal Service will calculate the number of Total Priority Mail Packages and the number of applicable quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that quarter. Discounted prices will be rounded up to the nearest whole cent.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: 

Printed Name: Cliff Rucker

Title: Senior Vice President, Sales and Customer Relations

Date: 7/18/17

